

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FACILITIES COMMITTEE
UNIVERSITY OF WEST FLORIDA
SEPTEMBER 14, 2022

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Governor Charles Lydecker, Chairman, convened the Board of Governors Facilities Committee meeting at 9:35 a.m. (ET) on September 14, 2022. The following members were present: Steven Scott, Edward Haddock, Ken Jones, Brian Lamb, Craig Mateer, Deanna Michael, and Eric Silagy. Other Board members present included: Tim Cerio, Aubrey Edge, Patricia Frost, Nimna Gabadage and Kent Stermon.

1. Call to Order and Opening Remarks

Chairman Lydecker called the meeting to order and provided a status update for the on-going Committee and Board initiatives included in the plan to address Deferred Capital Replacement & Renewal throughout the State University System.

2. Minutes of Committee Meetings

Chairman Lydecker asked for a motion to approve the minutes of the Facilities Committee meetings held on June 29, 2022, and June 30, 2022, at Florida Atlantic University. Governor Lamb moved to approve, Governor Silagy seconded the motion, and the motion carried.

3. Amendment of Educational Plant Survey for Florida Atlantic University

Chairman Lydecker presented the third item from the agenda, a request from Florida Atlantic University to amend the Educational Plant Survey which was completed in 2021. The scope for the Health Sciences Training & Research Facility project has increased significantly in size beyond what was originally presented and recommended by the survey team. This necessitated a last-minute request to amend the survey to account for the increase in size and to ensure its eligibility for inclusion in the PECO scoring process. The survey team and Florida Atlantic University staff worked to complete the amendment, providing a supporting recommendation for the increased space requirements.

Chairman Lydecker recognized Mr. Kevin Pichard, the Director of Finance and Facilities, as present and available to answer questions, if any. Hearing none, the Chairman called for a motion to approve and validate the Amended Educational Plant

Survey for Florida Atlantic University. Governor Mateer moved to approve, Governor Lamb seconded the motion, and the motion carried.

4. 2023-24 Fixed Capital Outlay Legislative Budget Request

Chairman Lydecker then introduced the next agenda item which was the proposed FY23-24 Fixed Capital Outlay Legislative Budget Request which also included the Public Educational Capital Outlay (PECO) Preliminary Selection Group. Additionally, in January 2021, before Session, the Committee amended the LBR to include a request for \$800M in funding to help address the State Universities System's estimated \$1.6B backlog of deferred capital needs. The Legislature appropriated over \$443M for that specific need. This year's proposed LBR contains similar funding components.

Chairman Lydecker recognized Mr. Kevin Pichard who provided a brief overview of the previous year's funding and the status of this year's request. After a brief discussion regarding the metric used in determining need, Chairman Lydecker opened the floor to questions; hearing none, the Chairman requested a motion to approve the FY2023-24 State University System Fixed Capital Outlay Legislative Budget Request, as presented. Governor Lamb moved to approve the motion and Governor Mateer seconded; the motion carried

5. Authorization to Issue Debt; \$30M for University of South Florida Housing & Student Center

Chairman Lydecker presented the fifth item from the agenda, a proposal from the University of South Florida to authorize the issuance of debt (up to \$30M) to finance the construction of a combined student housing and student center facility on the Sarasota-Manatee campus. Again, Chairman Lydecker recognized Kevin Pichard, Director of Finance and Facilities, to provide additional information regarding the request.

Mr. Pichard provided an overview of the proposed mixed-use facility which would provide student services and promote student success. The total cost is estimated at \$39 million, and the university has committed \$16.5 million to the project. The university estimates that \$200,000 per year of debt repayment will come from student service fees. Both the Division of Bond Finance and the Board of Governors found the request to comply with rules and regulations. This project has been approved by the university's Board of Trustees.

Chairman Lydecker commented that he agrees with the request but did want to note that there may be room for collaboration with New College simply based on geography.

Chairman Lydecker then recognized Ms. Rhea Law, President of the University of South Florida, who spoke about the benefits that this project would have for the programs at this campus, especially with the ongoing affordable housing issues in this area.

Chairman Lydecker opened the floor for questions or comments. Hearing none, the Chairman called for a motion to adopt a resolution authorizing the issuance of tax-

exempt debt in an amount not to exceed \$30M by the University of South Florida Financing Corporation on behalf of the University of South Florida to finance the construction of the proposed mixed-use facility on the university's Sarasota-Manatee Campus. Governor Jones moved to approve, Governor Silagy seconded the motion, and the motion carried.

6. Revisions to the SUS Debt Management Guidelines

Chairman Lydecker presented the final item on the agenda, which was the proposed revision to the State University Systems Debt Management Guidelines. In March of 2021, the committee approved a debt issuance for Florida State University in connection with the construction of the Interdisciplinary Research and Collaboration Building (IRCB) project. The debt proceeds were used in place of cash donations, which allowed the donated funds to remain in its research foundation's endowment pool, thereby taking advantage of potential opportunities over the financing term. Based on the unique financing structure of the debt issuance, Chairman Lamb requested staff to work with the Division of Bond Finance in preparing guidelines to govern similar debt requests in the future. The draft guidelines have been incorporated into the SUS Debt Management Guidelines.

Chairman Lydecker opened the floor for questions. There being none, the Chairman called for a motion to approve the revisions to the Board of Governors Debt Management Guidelines. Governor Silagy moved to approve, Governor Scott seconded the motion, and the motion carried.

7. Concluding Remarks and Adjournment

There being no further business, Chairman Lydecker adjourned the meeting at 10:13 a.m. (ET) on September 14, 2022.

Kevin Pichard, Director of Finance, and
Facilities

Charles Lydecker, Chairman